

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
61 Forsyth Street SW, Suite 4T20  
Atlanta, Georgia 30303

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June 7, 2011

Craigian Gray, MD, MBA, JD  
Director  
Division of Medical Assistance  
North Carolina Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, North Carolina 27699-2501

Attn: Teresa Smith

Re: North Carolina State Plan Amendment 11-008

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan NC 11-008 that was received in the Regional Office on March 10, 2011. This State plan amendment extends the March 1, 2011 end date of the targeted case management (TCM) cost reimbursement methodology to October 31, 2011 to allow more time for the Local Health Departments and the Child Development Services Agencies to complete work on an acceptable cost identification process.

While we are approving this temporary extension of the current reimbursement methodology, CMS strongly urges North Carolina to work expeditiously to provide an acceptable cost finding methodology within the agreed upon time to ensure that expenditures made on behalf of the Medicaid program are appropriately captured and able to serve as the basis for Federal Financial Participation.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 11-008. This SPA was approved on June 6, 2011. The effective date of this amendment is March 1, 2011. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Yvette Moore at 404-562-7327.

Sincerely,

/s/

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosures